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SUBJECT: JERUSALEM MEDIA REACTION (07/22): Growing International
Pressure on Settlements

Main Stories:

Al-Quds and Al-Hayat Al-Jadida lead with news on continued international pressure on Israel to halt settlement construction. Coverage notes that European Union officials called the continuation of such activities "provocative," and renewed their calls on Israel to help create an environment conducive for re-launching negotiations with the Palestinians. German officials are also quoted in Al-Hayat Al-Jadida saying that Israel is committing a "slow suicide" that will negatively impact its political interests. Al-Quds runs separate front page coverage of a US official stressing that the US position concerning settlement construction activities has not changed and that the US wants to see a complete cessation of construction in East Jerusalem and the West Bank.

All dailies report that Palestinian Authority (PA) Prime Minister Salam Fayyad announced on July 21 during the weekly cabinet meeting that the PA will allocate \$1.5 million as "exceptional aid" to support the institutions and local councils of Jerusalem in light of recent Israeli actions in the city.

All dailies carry front page news on PA President Mahmoud Abbas's July 21 statement that the PA will resume negotiations with Israel only when the latter fulfills its road map obligations, which include the complete cessation of settlement construction activity in East Jerusalem and the West Bank. President Abbas also reiterated that the Fatah Party Congress will begin as planned on August 4.

Al-Ayyam runs front page coverage on Israeli sources denying reports published in Haaretz of a plan to evacuate 23 West Bank settler outposts in one day.

Al-Hayat Al-Jadida front page news cites Wafa news agency on the

July 21 World Bank announcement of a \$40 million donation to the PA to implement the Palestinian Reform and Development Plan (PRDP). A World Bank representative stated that this donation reflects the World Bank's satisfaction with the government's efforts toward implementing the PRDP. He reiterated that Israel must ease its restrictions on access and movement to improve the economic environment and called for greater support to the private sector.

Al-Ayyam runs front page coverage on the decision by the Palestinian Legislative Council (PLC) that Aziz Dweik, who was recently released from an Israeli jail, will resume his duties as the head of the PLC starting July 26. Al-Hayat Al-Jadida runs inside coverage on PLC Secretary General Ibrahim Khreishah condemning this decision, saying "it will create a new crisis in the legislative authority."

Al-Hayat Al-Jadida runs inside page coverage on the latest opinion poll conducted by Al-Najah University in the West Bank city of Nablus. The poll shows that 67% of Palestinians would vote for President Abbas in a presidential election, while 21.4% would vote for Hamas Gaza leader Ismail Haniyeh. The results also show that 44.8% believe that Prime Minister Fayyad is capable of managing Palestinian internal business affairs, compared to only 23% who believe that the Hamas government could do so.-----

BLOCK QUOTES:

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1) Hani Habib opines in Al-Ayyam independent daily under the title, "Obama, Netanyahu and the Jewish lobby" (07/22): "What made Netanyahu suddenly authorize the construction of housing units in East Jerusalem? Did he fear that the Jewish lobby in the US agrees

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with Obama's position regarding the Middle East peace process and the necessity to halt settlement activities? Was he certain that by authorizing such a project in East Jerusalem, all Jews, no matter what their beliefs, would unite to defend Jerusalem?"

2) Hafeth Barghouti opines in Al-Hayat Al-Jadida official daily under the title "The crisis" (07/22): "If Hamas wants a state, it has to commit to national principles and end divisions ... and if Netanyahu wants real peace with the Palestinians, he has to stop all settlement activities ... But as Palestinians, we lack a forceful position that could stand up to Hamas and Netanyahu's policies."

WALLES